



Minutes

Meeting of June 27-28, 2006

ITEM 1
DRAFT

COMMISSIONERS PRESENT

Howard Welinsky, Chair
Olivia K. Singh, Vice Chair
Alan S. Arkatov
Joseph P. Bishop
Irwin S. Field
Lance T. Izumi
Glee Johnson
Odessa P. Johnson
Melinda Guzman Moore
John P. Perez

COMMISSIONERS ABSENT

Hugo Morales
Frederick Ruiz
Evonne Seron Schulze

CALL TO ORDER

Commission Chair Howard Welinsky called the June 27, 2006, meeting of the California Postsecondary Education Commission to order at 9:00 a.m. in the Commission Conference Room at 770 L Street, Suite 1160, Sacramento, California.

CALL OF THE ROLL

Executive Secretary Anna Gomez called the roll for the meeting. A quorum was present throughout the meeting.

APPROVAL OF THE MINUTES

The minutes of the March 28-29, and May 15, 2006, meetings were unanimously approved.

REPORT OF THE CHAIR

Chair Welinsky welcomed the Commissioners and stated that the meeting was being streamed live and that listeners would be able to ask questions on any item by sending an e-mail to Anna Gomez. The Commission would respond to questions at the close of each item. He then welcomed new Commissioner Melinda Guzman Moore, representing the California State University. Ms. Guzman Moore shared her experiences and her interest in educational issues.

Chair Welinsky called attention to two pieces of data that he thinks are important to mention as a preface to the first agenda item on affordability: (1) between January and May of this year, the State General Fund increased by \$7.5 billion but higher education funding did not increase; and (2) over 50% of students average more than \$20,000 in debt when they graduate.

REPORT OF THE EXECUTIVE DIRECTOR

Personnel Changes: Director Murray Haberman began his remarks by announcing two staff appointments: Jessika Nobles Jones will be filling the Associate in Postsecondary Education Studies (AIPES) position and Sherri Orland will be filling the Staff Counsel position.

Student Interns: Director Haberman introduced the following graduate student assistants:

- Tamar Foster, a graduate of UC Davis, currently working toward a masters degree in Public Policy and Administration at CSU Sacramento;
- Natalie Sidarous, a graduate of the University of Texas, currently working on the Commission's *Improving Teacher Quality* Program;

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- Lauren Aguas, a graduate of Cal Policy San Luis Obispo, currently working toward a teaching credential at CSU Sacramento;
- Lois Kim, graduating this summer from UC Berkeley, former member of the research team at UC Berkeley Education Department;
- Lingbo Liu, a graduate of Shanghai University of Engineering Science, currently working toward her masters degree in economics at CSU Sacramento;
- Naveen Chaudhary, a graduate of ITM Gurgaon, India, currently working toward his masters degree in computer science at CSU Sacramento;
- Tarnjeet Kang, a graduate of UC Santa Cruz, who has worked at the Commission previously and will be returning in July.

Recent Activities of the Director: Director Haberman reported on various meetings with editorial boards, legislators, and the Governor's Office on the affordability crisis in higher education. He added that he hopes to have a legislative initiative ready in the fall for consideration in the Legislature next year. Mr. Haberman also encouraged Commissioners to visit the CPEC website, as staff has made a number of improvements to it.

REPORT OF THE STATUTORY ADVISORY COMMITTEE

Committee Vice Chair Todd Greenspan reported on the June 21, 2006, meeting of the Statutory Advisory Committee. Committee members discussed various items on the agenda, and expressed concern about a potential CPEC bond proposal for funding student loans through a general obligation bond. Much of the concern centered on the timing of the proposal and the lack of adequate time to review and discuss it.

DEVELOPING A STATEWIDE HIGHER EDUCATION AFFORDABILITY POLICY

Staff member Greg Gollihur introduced the discussion on higher education affordability and gave a short explanation of the history and background of the Commission's involvement. Representatives from the financial aid community, the segments of higher education, and students presented their views in order to assist the Commission in developing the new policy.

Dr. Sam Kipp, President of EdFund, and Ms. Pamela Burdman, Program Officer for the William and Flora Hewlett Foundation, gave an overview of changing demands for General Fund dollars, the balancing of grant aid and loan aid, and the advantages and disadvantages of the existing grant and loan option for students. Specifically:

- Expansion of health care and incarceration policies have affected the availability of funding for higher education;
- Economic swings have affected student fee levels;
- Fees are a small factor in the cost of a higher education;
- California's fees have not risen as fast as the national average;
- The Cal Grant program has specific disadvantages, for example, the Cal Grant B program offers little coverage in the first year and the Cal Grant program for transfer students has an unreasonable age limitation;
- Student borrowing has rapidly increased;
- Changes in the ethnic and cultural nature of the population have increased the need for grant aid; and
- There is an increasing need for "financial literacy" for all students and families.

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Representatives of the higher education segments reviewed their policies on financial aid and gave examples of the issues each is dealing with. Speakers included Tim Bonnel, from the California Community Colleges, Mary Robinson from the California State University, Kate Jeffrey from the University of California, and Jonathan Brown from the independent sector.

The third group of speakers included La Toya Jarrett, a student from San Diego State University and Lucero Chavez, a student from the University of California Los Angeles. Both students emphasized the difficulty in financing their education and the need for them to work while enrolled full time. Their recommendations for developing an affordability policy included:

- Decentralizing the financial aid process;
- Implementing moderate fee increases;
- Maintaining the same fee for the entire four years of a student's enrollment;
- Charging different fees at different campuses to reflect the differences in cost due to location of the campus; and
- Requiring meetings between high school students and college counselors to better ensure that students have adequate information about the costs before making college choices.

The Commission discussed a number of issues and recommendations that had been presented and Chair Welinsky thanked the presenters for their thoughtful input. The Commission voted to approve the report, *Developing a Statewide Higher Education Affordability Policy*.

RECESS

Chair Welinsky adjourned the meeting for lunch recess at 12:30 p.m.

RECONVENE

Chair Welinsky reconvened the meeting at 1:30 p.m.

INDEPENDENT AFFORDABILITY PANEL

Director Haberman began the discussion by recommending that the Commission form an advisory committee to examine ways the State could address the affordability crisis in California and assist in developing an affordability policy. The Commission approved the formation of an independent panel to examine strategies for increasing affordability for middle income students and to develop recommendations with the goal of making higher education more affordable for middle-income students. The committee will include financial and bonding experts as well as segmental representatives and students.

CAL-HELP INITIATIVE

Director Haberman introduced the Cal-HELP initiative, a proposal for a state-funded low-interest loan program for middle income students. The program would be funded through a general obligation bond and would provide loans of up to \$5,000 per academic year at a low rate of interest for families earning between \$65,000 and \$120,000. The Commission discussed the proposal and voiced conceptual support. It is anticipated that the advisory panel will examine this proposal and others in devising strategies for middle-income students.

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THE ROAD AHEAD: ENHANCING THE EVALUATION PROCESS OF ACADEMIC PREPARATION PROGRAMS

Staff member Stacy Wilson presented his examination of the findings contained in the University of California's 2006 Accountability Committee report on the effectiveness of academic preparation programs. The CPEC report recommends that funding for the 16 programs be restored in the 2006-07 State Budget. Additional recommendations are made for strengthening the evaluation process, including: the use of quasi-experimental design; development of a longitudinal data base capable of tracking student outcomes over time; and more precise definition of evaluation concepts to ensure better understanding of the measures contained in subsequent evaluation studies.

Dr. Wilson introduced Dr. Harold Levine, Chair of the University's Accountability Committee and Dean of the UC Davis School of Education, who described the process for examining the academic preparation and support programs overseen by the University. Dr. Levine noted that it is difficult to evaluate different programs because of the nature of human behavior and the difficulty of identifying causal effects, but supported conducting quasi-experimental research in the future when appropriate. In conclusion, Dr. Levine stated that the University should maintain the responsibility for such evaluations, but that there should be a CPEC representative on the University's Accountability Committee and on the subcommittee for data input. The Commission adopted the report and recommendations, with the understanding that the Commission's continued support would be contingent on strengthening the evaluation process.

ACADEMIC AND VOCATIONAL PROGRAMS AND PLANS PROPOSED BY THE PUBLIC HIGHER EDUCATION SYSTEMS, 2005-2006

Dr. Wilson introduced Dr. Jolayne Service, Dean of Academic Planning for the California State University, and Karen Merritt, Director of Academic Planning for the University of California. Dr. Service and Ms. Merritt are retiring from their respective higher education systems after more than 25 years of service. Both spoke to the Commission about their years of working with CPEC and the importance of the Commission's independent review and comment function when new degree programs are proposed by the systems. Both presenters stressed the value of CPEC's depth of knowledge in advising the Legislature and the Governor on new programs. The Commission thanked the two presenters for their collaborative work over the last decades.

Staff member Jessika Nobles Jones discussed the health science expansion plans under consideration by the University of California. Based on the University's Health Sciences Committee study, California is expected to soon face a shortage of physicians, nurses, pharmacists, public health workers, and veterinarians. Ms. Jones gave a summary of proposed new programs and existing medical student capacity in the public and private California universities and indicated that the Commission expects to receive a proposal for a medical school from the University very soon.

Dr. Wilson introduced Bonnie Graybill, Manager of the Labor Market Information Division (LMI) of the California Employment Development Department. Ms. Graybill introduced two LMI staff analysts to demonstrate a labor market forecasting tool that is being used to assist in community college program planning. The analysts noted that community colleges spend considerable time assessing and reexamining local labor market data to ensure that their vocational and career technical programs continue to meet local workforce needs, and to ensure that students are provided with the necessary academic and technical skills to be successful in the workplace. This kind of information aids colleges in their decisions to add, enhance, or discontinue

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various training programs. The tool relies on data related to local area wages, labor and supply, competing occupations, and local employers. The Commission voted unanimously to approve the report.

LEGISLATIVE UPDATE, JUNE 2006

Staff counsel Sherri Orland reviewed the higher education bills that are currently being tracked and updated the Commission on recent bill amendments and changes of positions. She also distributed a new matrix and an addendum with additional bills and recommended positions. The Commission voted unanimously to approve the recommended additions and changes.

UNIVERSITY ELIGIBILITY: ARE LOCALLY REPORTED FIGURES COMPARABLE TO THE COMMISSION'S ESTIMATES?

Staff member Adrian Griffin presented an analysis of the differences in locally-reported eligibility statistics and the eligibility rates reported by the Commission in its periodic eligibility studies. He noted that *a-g* completion rates are often used as a substitute for eligibility rates. This causes confusion because university eligibility is based on test scores and grades as well as course completion. Dr. Griffin's analysis showed that the California State University eligibility rate is only 78% of reported *a-g* course completions. For the University of California, there is not a straight-line correlation between *a-g* course completion rates and eligibility rates. Eligibility depends too much on test-taking patterns to be estimated as a simple percentage of reported *a-g* rates.

Dr. Griffin stated that, although this paper was developed to respond to various eligibility questions, it serves as a reminder of inequities in access to higher education. Latino and African American students, who predominantly attend low-API schools, have lower *a-g* course completion and eligibility rates than Whites and Asians.

Dr. Griffin then described the planning stages for the Commission's next eligibility study. The study sample will be larger, making it possible to do more follow-up analysis. Staff will be able to do more work looking at the way eligibility varies from school to school, and identify obstacles faced by students who attend schools in California's poorer neighborhoods.

RECESS

The regular meeting was recessed at 3:45 p.m. and Chair Welinsky convened an Executive Session at 3:55 p.m.

Executive Session ended at 4:10 p.m.

RECONVENE

Chair Welinsky called the June 28, 2006, meeting of the California Postsecondary Education Commission to order at 8:35 a.m. in the Commission Conference Room at 770 L Street, Suite 1160, Sacramento, California.

CALL OF THE ROLL

Executive Secretary Anna Gomez called the roll for the June 28, 2006, meeting. Present were Chair Welinsky, Vice Chair Singh, Commissioners Arkatov, Bishop, Izumi, Glee Johnson, Odessa Johnson, Guzman Moore, and Perez. A quorum was present throughout the meeting.

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REPORT OF EXECUTIVE SESSION

Chair Welinsky reported that there was no action taken at the executive session.

2006-07 STATE BUDGET UPDATE

Director Murray Haberman summarized the State Budget as expected to be approved. It contains approximately \$131 billion in State spending, including acceleration of the repayment of nearly \$3 billion in funds borrowed from various sources in recent years. It also provides additional new funding to K-12 education in large part due to the \$7.5 billion surge in State revenues. Higher education funding is expected to total more than \$15 billion in combined general purpose funding, nearly 7% higher than the 2005-06 appropriation.

THE GENDER GAP IN CALIFORNIA HIGHER EDUCATION

Staff member Karen Humphrey introduced this item as a basic statistical overview of gender representation in California colleges and universities. California mirrors the nation in the predominance of females in higher education, with males making up slightly more than half of the population age 20 to 34, but only around 43% of college enrollment. The gender gap actually increases in the percentage of degrees awarded; in 2004, females earned 59% of the degrees awarded in the two public state university systems.

Ms. Humphrey noted the gender gap also varies by race and ethnicity and in specific academic and professional disciplines. For example, in 2004, the gap in graduation rates between sexes was widest among African Americans, where 67% of graduates were female; it was narrowest among Asian/Pacific Islanders where female graduates were 56% of the total. The gender mix has also changed in many historically male-dominated disciplines. However, overall, there is a general pattern of women increasing enrollment in virtually all disciplines relative to men, even those in which they do not outnumber men.

The disparity in enrollment in colleges and universities echoes a high school graduation gender gap both overall and in most racial and ethnic groups, with more females than males completing high school.

Commissioners discussed a number of factors that may have led to or influenced the gender gap, including the impact of Title IX, alleged sex differences in learning, socio-economic factors, and the prevalence of female K-12 teachers. The Commission requested that staff develop a framework for discussing how to proceed with further research in the area.

HAVE THEY FINISHED? TIME-TO-DEGREE OF FRESHMEN ENTERING UC AND CSU IN FALL 2000

Staff member Adrian Griffin introduced a working paper that examines the time-to-degree of freshmen entering the California State University and the University of California in fall 2000. The report focuses on full-time students who enroll in a university shortly after high school.

The figures in this report raise many questions about the progress and retention of students. The Commission's next step will be to use its longitudinal student data system to take a closer look at student progress. Many students take a part-time load, enroll intermittently, drop out, change majors, take remedial courses before beginning work on degree courses, or take more units than needed for graduation.

The Commission discussed a number of issues arising from the report, including looking at factors such as family income, trends for part-time students, high school performance, success of transfer students, and the impact of the proximity of campuses. Chair Welinsky concluded the item by thanking Dr. Griffin for the report.

PREPARING TODAY'S HIGH SCHOOL STUDENTS FOR TOMORROW'S OPPORTUNITIES: A PRESENTATION BY MATT GANDAL, EXECUTIVE VICE PRESIDENT, ACHIEVE, INC.

Mr. Gandal introduced a report on the American Diploma Project that highlighted how well students are prepared for the world after high school, what it means to be prepared for college and the work world, and what it will take to close the expectations gap.

He cited the following statistics on how well prepared our students are:

- In California, 70% of students graduate from high school, but only 19% earn a college degree;
- Nearly three in 10 first-year college students are placed immediately into remedial courses;
- In the U.S., high school and college graduation rates lag behind most developed countries; and
- In 2003, the percentage of Asian and White students who graduated from high school was much higher than the percentage of Latino and African American students;

Mr. Gandal continued with statistics on what it takes to be prepared for postsecondary education and work, including the following:

- The knowledge and skills that high school students need in order to be successful in college are the same as those they will need to be successful in a good job;
- Blue-collar jobs require high-level skills; and
- High school graduates need four math courses, equivalent to Algebra I and II, Geometry, and a fourth course such as Statistics or Precalculus.

Mr. Gandal discussed his research on standards, course requirements, and assessments required of high school graduates in different states, including the following points:

- 23 states require Algebra I; 16 states require Geometry, and only eight states require Algebra II; and
- San Jose Unified School District is an example in California of a large, diverse school system that requires all students to complete a rigorous curriculum for graduation; from 2000-01 to 2003-04, the percentage of students completing *a-g* courses rose from 37% to 65% while statewide, *a-g* completion rates decreased from 36% to 34%.

Mr. Gandal concluded his presentation with a discussion of expectations of students and what might be done to close the expectation gap. He noted that most high school graduates, whether or not they attended college, say they were not significantly challenged and would have worked harder if high school had demanded more.

Further, employers and college instructors say they are dissatisfied with high school skills preparation, particularly in reading and understanding complicated materials, quality of writing, mathematics, thinking analytically, work and study habits, and application of what is learned in school to solving problems.

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Recommendations for closing the expectations gap include the following:

- Align high school standards with college and work expectations;
- Require all students to take more challenging college- and work-prep courses;
- Administer tests that measure readiness for college and work to all high school students; and
- Hold high school and postsecondary institutions accountable for student success.

The Commission discussed the presentation and suggested several factors that may contribute to the problem, including middle school performance, the need for more curricular articulation between middle school and high school work, and the need for individual learning plans. Mr. Gandal concluded his report by observing that the State and the nation must confront and change the educational culture wherein many educators believe that not all students can meet higher expectations or handle rigorous coursework.

ON THE PATH TO HIGHER EDUCATION ACCOUNTABILITY: RECOMMENDATIONS FROM THE ACCOUNTABILITY ADVISORY COMMITTEE

Staff member Jessika Nobles Jones reported on the development of a higher education accountability framework. She discussed recommendations from the Commission's Accountability Advisory Committee that include four goals for California public education and performance measures to gauge success in achieving each goal. The following four goals reflect the general consensus of the Committee: (1) Reasonable and equitable opportunities for individuals to enter college prepared to succeed in higher education; (2) Affordable and accessible higher education for all Californians; (3) Student success in getting through college; and (4) Significant and lasting contributions to the State's economic, civic, and social development. The Commissioners commented that gender data should be included in the performance measures and that campuses should do more to ensure civic and social responsibility.

The Commission has recommended a fifth goal of fostering and encouraging efficiency in public university administration practices. However, the Advisory Committee did not endorse this goal as a part of the framework. There was consensus by the Commissioners that the fifth goal should be retained in the framework and that the advisory committee should discuss specific measures to assess progress on this goal.

Ms. Nobles Jones concluded her report by adding that the Commission intends to release a working paper on each goal as it is completed, with a final report to be issued by June 2007.

ADJOURNMENT

There being no further business, Chair Welinsky adjourned the meeting at 11:15 a.m.